

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT PETITION OF KENTUCKY-AMERICAN)
WATER COMPANY, THAMES WATER AQUA)
HOLDINGS GmbH, RWE)
AKTIENGESELLSCHAFT, THAMES WATER)
AQUA US HOLDINGS, INC., APOLLO) CASE NO. 2002-00317
ACQUISITION COMPANY AND AMERICAN)
WATER WORKS COMPANY, INC. FOR)
APPROVAL OF A CHANGE OF CONTROL OF)
KENTUCKY-AMERICAN WATER COMPANY)

ORDER

The parties to this proceeding have advised the Commission through Commission Staff of their disagreement over the appropriate scope of this proceeding. Finding that a more efficient use of the parties and the Commission's resources will result if this issue is addressed at the outset of this proceeding, the Commission finds that the parties should submit written memoranda on this issue no later than September 18, 2002.

IT IS THEREFORE ORDERED that:

1. Each party to this proceeding shall, no later than September 18, 2002, file with the Commission written memorandum on the following issues:

- Should the scope of this proceeding be limited to reviewing the qualifications of Thames Water Aqua US Holdings, Inc. (Thames USA) and determining whether the modifications to the proposed transaction approved in Case No. 2002-00018¹ are consistent with the public interest?

¹ Case No. 2002-00018, Application for Approval of the Transfer of Control of Kentucky-American Water Company to RWE Aktiengesellschaft and Thames Water Aqua Holdings GmbH.

- May the parties properly present additional evidence regarding issues on which the Commission issued findings in Case No. 2002-00018?
- Assuming that the parties may properly present additional evidence regarding issues on which the Commission issued findings in Case No. 2002-00018, to what extent is the Commission bound by those earlier findings and under what conditions may the Commission issue findings that are contrary to the earlier findings?
- To what extent, if any, is the Commission precluded from considering any issue in this proceeding as a result of the actions pending before Franklin Circuit Court in Commonwealth of Kentucky, ex rel. A.B. Chandler, Attorney General v. Pub. Serv. Com'n, No. 02-CI-001012 (Franklin Cir. Ct. Ky. filed July 29, 2002)?

2. The parties may, in addition to the issues listed above, address in their memoranda any issue directly related to the scope of this proceeding. The Commission reserves the right to permit opposing parties to submit responses on such issues.

Done at Frankfort, Kentucky, this 13th day of September, 2002.

By the Commission

ATTEST:


Executive Director